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*Maryland*  
*for the Better*

# Welcome



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CERTIFIED PUBLIC ACCOUNTANTS



Larry Hogan, Governor  
Boyd Rutherford, Lt. Governor  
Dennis Schrader, Secretary





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**Maryland**  
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# Pharmacy Stakeholder Meeting

Athos Alexandrou, MBA  
Director

Maryland Medicaid Pharmacy Program

June 21, 2017



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MARYLAND  
DEPARTMENT OF HEALTH  
& MENTAL HYGIENE



# WELCOME

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- Opening Remarks
- Introductions



# MYERS AND STAUFFER STAFF

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- T. Allan Hansen – Principal
- Darold Barnes, RPh – Senior Manager
- Jennifer Murray, PharmD, CGP – Senior Manager
- Matt Hill, CPhT - Manager



# AGENDA

- Overview
- Survey Objectives
- Centers for Medicare and Medicaid Services; Medicaid Program; Covered Out Patient Drugs; Final Rule (42 CFR Part 447) Published February 1, 2016 (CMS Final Rule)
- Specialty Cost of Dispensing (COD) survey
  - Survey Approach
  - Draft Survey Tool
  - Survey Process
- Specialty State Actual Acquisition Cost (SAAC) survey
  - Overview
  - Timeline
  - Submissions
- Next Steps
- Questions & Answers



# OVERVIEW

## Specialty drug criteria and provider selection:

There is no singular definition of “specialty” in the pharmacy industry or for governmental agencies. For the purpose of this process, “specialty” refers to drugs that do not have a NADAC, meet the definition of a covered outpatient drug as defined in 42 CFR 447.502, and are not dispensed by a retail community pharmacy but are dispensed primarily through the mail.

## Survey Participation is mandatory:

Participation and document production is required under COMAR 10.09.03.03E and COMAR 10.09.03.07A.

# SURVEY OBJECTIVES

## Objectives of Specialty Pharmacy surveys:

To determine the cost of dispensing specialty prescription drugs to Medicaid participants by providers in the Maryland Medicaid Pharmacy Program.

To establish a state actual acquisition cost (SAAC) pricing benchmark for specialty drugs reflective of Maryland Medicaid participating pharmacies' purchase records.

# CMS FINAL RULE

- Requires that when states propose changes to either the ingredient cost or professional dispensing fee, states must consider both to ensure that total reimbursement to the pharmacy provider is in accordance with requirements of section 1902(a)(30)(A) of the Social Security Act (the Act).
- Replaces “dispensing fee” with “professional dispensing fee”.
  - Reinforces CMS’ position that the fee to dispense the drug to a Medicaid beneficiary should reflect the pharmacist’s professional services and costs as defined in 42 CFR § 447.502.
  - Gives states the flexibility to set their professional dispensing fee but requires a basis in survey data.

# CMS FINAL RULE

## *“Professional dispensing fee means the fee which —*

*(1) Is incurred at the point of sale or service and pays for costs in excess of the ingredient cost of a covered outpatient drug each time a covered outpatient drug is dispensed;*

*(2) Includes only pharmacy costs associated with ensuring that possession of the appropriate covered outpatient drug is transferred to a Medicaid recipient. Pharmacy costs include, but are not limited to, reasonable costs associated with a pharmacist’s time in checking the computer for information about an individual’s coverage, performing drug utilization review and preferred drug list review activities, measurement or mixing of the covered outpatient drug, filling the container, beneficiary counseling, physically providing the completed prescription to the Medicaid beneficiary, delivery, special packaging, and overhead associated with maintaining the facility and equipment necessary to operate the pharmacy; and*

*(3) Does not include administrative costs incurred by the State in the operation of the covered outpatient drug benefit including systems costs for interfacing with pharmacies.”<sup>1</sup>*

<sup>1</sup> See “Medicaid Program; Covered Outpatient Drugs.” (CMS-2345-FC) Federal Register, 81: 20 (1 February 2016) p 5349.



# SPECIALTY COD SURVEY

## Survey Approach

- Collects actual (not estimated) historical overhead and labor costs
- Survey method consistent with CMS guidelines for components of professional dispensing fee
- Follows Medicare cost reporting principles for allocating allowable costs
- All reported overhead expenses will be evaluated and allocated if applicable to the cost of dispensing
- All labor expenses (including draws, bonuses, profit sharing, pension, and benefits) will be evaluated and allocated if applicable to the cost of dispensing
- Labor reporting includes a breakdown of percent of time conducting prescription dispensing activities
- All providers are requested to submit source documentation used to complete the cost of dispensing survey (i.e. financial statements, prescription dispensing logs, and store blueprints or diagrams).

# SPECIALTY COD SURVEY

## Draft Survey Tool

- Page 1: Declaration of owner and/or preparer and fiscal year
  - Complete attestation of the submitted information on the cost of dispensing survey.
  - Designate the fiscal year that is being used to complete all sections of the cost of dispensing survey.

STATE OF MARYLAND  
DHMH  
Maryland Department of Health and Mental Hygiene  
*Larry Hogan, Governor - Boyd K. Rutherford, Lt. Governor - Dennis R. Schrader, Secretary*

Office of Systems Operations and Pharmacy  
Medical Care Programs

Craig Smalls  
Executive Director

MBS Use Only

Return Completed Forms to:  
Myers and Stauffer LC  
700 W. 47th Street, Suite 1100  
Kansas City, Missouri 64112  
or via email to: disp\_survey@mslc.com

Complete and return by \_\_\_\_\_

**ROUND ALL AMOUNTS TO NEAREST DOLLAR OR WHOLE NUMBER**  
Call toll free (800) 374-6858 or email disp\_survey@mslc.com if you have any questions.

An electronic version of the Cost of Dispensing Survey is available. The electronic version is in Excel format. The electronic version aids the user by calculating totals and transferring information to the reconciliation to help ensure the accuracy of the data. Please send an email to disp\_survey@mslc.com to request the electronic version of the survey. Completed surveys can be returned via email to disp\_survey@mslc.com.

Name of Pharmacy \_\_\_\_\_ NPI Number: \_\_\_\_\_  
Telephone No. ( ) \_\_\_\_\_ Email \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**DECLARATION BY OWNER AND PREPARER**  
I declare that I have examined this cost survey including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, complete, and in agreement with the related financial statements or federal income tax return, except as explained in the reconciliation. Declaration of preparer (other than owner) is based on all information of which preparer has any knowledge.

Signature of Owner \_\_\_\_\_ Printed Name \_\_\_\_\_ Title/Position \_\_\_\_\_ Date \_\_\_\_\_  
Preparer's Signature (if other than owner) \_\_\_\_\_ Printed Name \_\_\_\_\_ Title/Position \_\_\_\_\_ Date \_\_\_\_\_  
Preparer's Street Address \_\_\_\_\_ City and State \_\_\_\_\_ Zip \_\_\_\_\_  
( ) \_\_\_\_\_  
Telephone No. \_\_\_\_\_ Email Address \_\_\_\_\_

The following information is from fiscal / tax year ending\* \_\_\_\_\_  
Complete these forms using your most recently completed fiscal year for which financial records are available and complete (e.g., December 31, 2016, or December 31, 2015, if 2016 records are not yet complete). (Include month/day/year). \* If your pharmacy has had a change in ownership or has not completed a fiscal year with at least 6 months of financial information, please call Myers and Stauffer at (800) 374-6858 to discuss your status.



# SPECIALTY COD SURVEY

## Draft Survey Tool

- Page 2: Pharmacy Attributes
  - Report new, refill, and total prescriptions for the same fiscal year noted on page 1
  - Report pharmacy only sales and total sales for the same fiscal year noted on page 1.
  - Report the pharmacy department and total facility square footage.
  - Report breakdown of percent of prescriptions dispensed and percent of payments received.
  - Report other general attributes.

**MARYLAND MEDICAID PHARMACY PROGRAM - FFS**  
**MANDATORY SPECIALTY<sup>3</sup> COST OF DISPENSING SURVEY**

SECTION IA -- PHARMACY ATTRIBUTES Page 2

All Pharmacies should complete lines (a) through (l).

List the total number of all prescriptions dispensed during your most recently completed fiscal year as follows:

(a) 1. New \_\_\_\_\_ 2. Refill \_\_\_\_\_ 3. Total \_\_\_\_\_

\*Prescriptions Dispensed.\* Report the total number of all prescriptions filled during the fiscal year being reported on this cost survey. This information may be kept on a daily or monthly log or on your computer.

(b) Sales and Floor Space

	Pharmacy Department Only	Total Store (Retail and Pharmacy Department)
Sales (Excluding Sales Tax)	_____	_____
Cost of Goods Sold	_____	_____
Floor Space (see instructions below)	_____ Sq. Ft.	_____ Sq. Ft.

Store sales excluding sales tax. Total store sales and cost of goods sold can usually be obtained from a financial statement or a federal income tax return (if the tax return solely includes the store being surveyed). Pharmacy Department sales refer only to sales of prescription drugs and should not include non-prescription over the counter drugs, durable medical equipment or other non-prescription items.

Cost of Goods Sold. If pharmacy department cost of goods sold is not readily available, leave this line blank.

Floor Space. Provide square footage for pharmacy department dispensing area and total store square footage (pharmacy department + retail area). Since floor space will be used in allocating certain expenses, accuracy is important.

For simplicity, when measuring the pharmacy department exclude all of the following:  
 > Patient waiting area > Counseling area > Pharmacy department office space > Pharmacy department storage  
 The before mentioned areas should be included in total store area, but not pharmacy department square footage. A factor will be added to the pharmacy department to account for waiting area, counseling area, pharmacy department office space and pharmacy department storage. When measuring the total store square footage exclude any storage area (e.g., basement, attic, off-the-premises areas or freight in-out areas).

What is the approximate percentage of prescriptions dispensed for the following classifications?

(c) 1. Medicaid Fee for Service \_\_\_\_\_ % 2. Medicaid Managed Care \_\_\_\_\_ %  
 3. Other 3rd Party \_\_\_\_\_ % 4. Cash \_\_\_\_\_ %

What is the approximate percentage of payments received from the following classifications?

(d) 1. Medicaid Fee for Service \_\_\_\_\_ % 2. Medicaid Managed Care \_\_\_\_\_ %  
 3. Other 3rd Party \_\_\_\_\_ % 4. Cash \_\_\_\_\_ %

(e) Ownership Affiliation  
 1.  Independent (1 to 3 units)      2.  Chain (4 or more units)  
 3.  Institutional (service to LTC facilities only)      4.  Other (specify) \_\_\_\_\_

(f) Type of Ownership  
 1.  Individual    2.  Corporation (including LLC)    3.  Partnership    4.  Other (specify) \_\_\_\_\_

(g) Location of Pharmacy (please check one)  
 1.  Medical Office Building      2.  Industrial Complex  
 3.  Stand Alone Building      4.  Grocery Store / Mass Merchant  
 5.  Outpatient Hospital      6.  Other (specify) \_\_\_\_\_

Does your pharmacy purchase drugs through the 340B Drug Pricing Program?  
 1.  Yes      2.  No

(h) If yes, are prescriptions dispensed through the Medicaid Pharmacy Program provided from 340B inventory?  
 1.  Yes      2.  No



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# SPECIALTY COD SURVEY

## Draft Survey Tool

### MARYLAND MEDICAID PHARMACY PROGRAM - FFS MANDATORY SPECIALTY<sup>A</sup> COST OF DISPENSING SURVEY

Page 4

#### SECTION IC – PHARMACEUTICAL PRODUCT BREAKDOWN

Provide a breakdown of the specialty and non-specialty products dispensed in your pharmacy using the categories described below or other categories as appropriate. Please report the number of prescriptions and dollar amount of sales in one category only, for example some clotting factor can be prefilled, however place it in "clotting factor or derivatives" only and not in "prefilled or ready to inject products". Number of prescriptions dispensed and sales should match your fiscal reporting period for the cost survey and reconcile to prescriptions and sales reported on lines (a) and (b) in Section IA. You should also respond to the questions below the product breakdown regarding services provided in association with the dispensing of specialty products.

Product Category	Number of Prescriptions	Dollar Amount of Sales	Line No.
<b>Infusion Products</b>			
Compounded Infusion products			(1a)
Total Parenteral Nutrition (TPN) products			(1b)
Clotting Factors or Derivatives <small>(Includes supplies (e.g., tubing, needles, catheter hangers, IV sets, dressings, etc.)</small>			(1c)
Total for Infusion Products			(1e)
<b>Specialty</b>			
Prefilled or ready to inject products			(2a)
Orals			(2b)
Total for Specialty			(2c)
<b>Non-specialty</b>			
Orals			(3a)
Topicals			(3b)
Injectables			(3c)
Compounded (non-infusion)			(3d)
Enteral nutrition			(3e)
Other (including ophthalmic, etc.)			(3f)
Total for Non-specialty			(3g)
<b>Total</b> (Should reconcile to prescriptions and Pharmacy Department sales reported in Section IA)			(4)

#### Additional Pharmacy Attribute Questions for Pharmacies Dispensing Specialty Products

(a) Are supplies provided for patient use and administration, such as syringes, gloves, gauze, tubing, etc. included in the cost of goods sold reported in section IA? 1.  Yes 2.  No

(b) Please provide the total dollar amount of expense for supplies provided for patient use and administration: \$ \_\_\_\_\_

(c) Are supplies provided for patient administration billed separately to the Medicaid program as a separate prescription or as DME, etc.? 1.  Yes 2.  No

(d) What percentage of prescriptions dispensed were for products with REMS (Risk Evaluation and Mitigation Strategy) reporting requirements? \_\_\_\_\_%

(e) What percentage of prescriptions dispensed were for products that had patient monitoring and compliance activities in place? \_\_\_\_\_%

(f) What percentage of prescriptions dispensed were for products that had special storage requirements (e.g., refrigeration, etc.)? \_\_\_\_\_%

(g) For how many states does this facility ship specialty products to Medicaid participants? \_\_\_\_\_

#### SECTION ID – OTHER INFORMATION

Use the section below to provide additional narrative description of the specialty products and services that are provided by your pharmacy. Use this section to describe any patient monitoring programs, patient compliance programs, case management services or disease management services provided by your pharmacy. Describe any specialized equipment used in your pharmacy. Attach additional pages as necessary.

- Page 4: Specialty Product Breakdown
  - Include each prescription in only one category from the top of the page down (i.e. if clotting factor, and prefilled, place only in clotting factor)
  - Total number of prescriptions and dollar amount of sales must reconcile back to reported items on page 2.
  - Number of prescriptions and dollar amount of sales must be from the same fiscal year noted on page 1.

# SPECIALTY COD SURVEY

## Draft Survey Tool

- Page 5: Personnel Costs
  - Include number of FTE's and salary for each group of employees.
  - Include percent of time each group of employees is doing direct dispensing activities, prescription related activities, or non-prescription related activities.
  - Include the pension and profit sharing and employee benefits in aggregate on lines 14 and 15, respectively, for all employees.
  - Personnel costs should be reported for the same fiscal year noted on page 1.



### MARYLAND MEDICAID PHARMACY PROGRAM - FFS MANDATORY SPECIALTY<sup>A</sup> COST OF DISPENSING SURVEY

#### SECTION IIA -- PERSONNEL COSTS

Page 5

Complete each employee classification line in aggregate. If there are no employees in a specific category, please leave blank. Provide your best estimate of the percentage of time spent working in each category, the rows must equal 100%. Complete these forms using the same fiscal year as listed on page 1 and used for reporting overhead expenses.

Employee Classification	Estimate of FTEs <sup>1</sup>	Total Salaries (including bonuses and draws for owners) <sup>2</sup>	Percent of Time Spent				Line No.
			Dispensing Activities <sup>3</sup>	Other RX Related Duties <sup>4</sup>	Non RX Related Duties <sup>5</sup>	Total <sup>6</sup>	
Owner: Registered Pharmacist (if applicable)							(1)
Owner: Non-Pharmacist (if applicable)							(2)
Pharmacist							(3)
Technician							(4)
Delivery							(5)
Nurses							(6)
Customer service representatives							(7)
Billing							(8)
Other Admin							(9)
Contract Labor (Pharmacist)							(10)
Contract Labor (other)							(11)
Staff not related to RX dispensing			0.0%	0.0%	100.0%	100.0%	(12)
Total Salaries							(13)
Pension and Profit Sharing							(14)
Other Employee Benefits							(15)
Total Labor Expenses							(16)

<sup>1</sup> FTE - Full Time Equivalent. Take the total number of weekly hours worked by job category and divide by 40 hours to determine the total number of full time equivalent positions. Answer can be a decimal. Round answer to nearest tenth. Ex. 3 pharmacists, pharmacist 1 = 38 hours per week, Pharmacist 2 = 22 hours per week, Pharmacist 3 = 15 hours per week. Calculation = 38 + 22 + 16 = 76 ÷ 40 = 1.90 FTE.

<sup>2</sup> Total Salaries should include any bonuses and/or draws from the owners.

<sup>3</sup> Dispensing Activities should include any direct prescription dispensing activities. Direct prescription dispensing activities as defined in the Centers for Medicare & Medicaid Services final rule (2/1/2016) at §447.502 include the pharmacist time associated with ensuring that possession of the appropriate covered outpatient drug is transferred to a Medicaid beneficiary. This category includes, but is not limited to, a pharmacist's time in checking the computer for information about an individual's coverage, performing drug utilization review and preferred drug list review activities, measurement or mixing of the covered outpatient drug, filling the container, beneficiary counseling, physically providing the completed prescription to the Medicaid beneficiary, delivery, and special packaging.

<sup>4</sup> Other RX Related Duties include, but are not limited to, time spent maintaining the facility and equipment necessary to operate the pharmacy, third party reimbursement claims management, ordering and stocking prescription ingredients, taking inventory and maintaining prescription files.

<sup>5</sup> Non RX Related Duties should include any duties that are not related to the pharmacy department.

<sup>6</sup> Totals for the Percent of Time Spent Breakdown. Columns A, B, and C must total 100%.

<sup>7</sup> Other Employee Benefits includes employee medical insurance, disability insurance, education assistance, etc.



# SPECIALTY COD SURVEY

## Draft Survey Tool

- Page 6: Overhead Expenses
  - Includes most commonly reported expense items along with the reference to tax form lines.
  - Only use a tax return if the tax return represents the expenses for a single location. Otherwise use internal financial documentation.
  - Expenses should be reported for the same fiscal year noted on page 1.
  - Myers and Stauffer can complete pages 6, 7, and 8 when the provider submits internal financial statements or a tax return that is for only the location being surveyed.



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MARYLAND MEDICAID PHARMACY PROGRAM - FFS  
MANDATORY SPECIALTY<sup>A</sup> COST OF DISPENSING SURVEY

SECTION IIB -- OVERHEAD EXPENSES

Page 6

Complete this section using your internal financial statement or tax return for the fiscal year ending listed on Page 1. You should only use a tax return if the only store reported on the return is the store being surveyed. If you are using a tax return, the line numbers in the left columns correspond to federal income tax return lines. Use your most recently completed fiscal year for which financial records are available and completed (e.g., December 31, 2016, or December 31, 2015, if 2016 records are not yet complete). If you prefer, you may submit a copy of your financial statement and/or tax return (including all applicable schedules) and Myers and Stauffer can complete Sections IIB and III (pages 6, 7, and 8).

**\* Notes about tax return line references**  
Form 1040, Sched C, line 27a is for "other expenses" and a detailed breakdown of this category is typically reported on page 2, Part V of the form. Form 1065 (line 20), Form 1120 (line 26) and Form 1120S (line 19) are for "other deductions" and there are typically detailed breakdowns of the expenses in this category in the "Statements" attached to the returns.

2016 Tax Form				Expense Amount Reported	Myers and Stauffer Use Only	Line No.
1040 Schedule C	1065	1120	1120S			
Depreciation (this fiscal year only - not accumulated)						(1)
23	14	17	12	(a) Personal Property Taxes Paid		(2)
23	14	17	12	(b) Real Estate Taxes		(3)
23	14	17	12	(c) Payroll Taxes		(4)
Any other taxes should be itemized separately on page 7.						
20b	13	16	11	Rent - Building (if building is leased from a related party then report ownership expenses of interest, taxes, insurance and maintenance)		(5)
20a	13	16	11	Rent - Equipment and Other		(6)
21	11	14	9	Repairs & maintenance		(7)
15	20*	26*	19*	Insurance (other than employee medical)		(8)
16a&b	15	18	13	Interest		(9)
17	20*	26*	19*	Legal and Professional Fees		(10)
27a*	20*	26*	19*	Dues, Publications, and Subscriptions		(11)
27a*	12	15	10	Bad Debts (this fiscal year only - not accumulated)		(12)
n/a	n/a	19	n/a	Charitable Contributions		(13)
25	20*	26*	19*	Utilities (a) Telephone		(14)
25	20*	26*	19*	(b) Heat, Water, Lights, Sewer, Trash and other Utilities		(15)
18&22	20*	26*	19*	Operating and Office Supplies (exclude prescription containers and labels)		(16)
8	20*	22	16	Advertising/Marketing		(17)
27a*	20*	26*	19*	Computer Expenses (systems, software, maintenance, etc.)		(18)
9,27a*	20*	26*	19*	Prescription Delivery Expenses (wages to a driver should only be reported on pg. 3)		(19)
27a*	20*	26*	19*	Prescription Containers and Labels		(20)
24a&b	20*	26*	19*	Travel, Meals and Entertainment		(21)
27a*	20*	26*	19*	Switching / E-Prescribing Fees		(22)
27a*	20*	26*	19*	Security / Alarm		(23)
27a*	20*	26*	19*	Bank Charges		(24)
27a*	20*	26*	19*	Credit Card Processing Fees		(25)
27a*	20*	26*	19*	Interior Maintenance (housekeeping, janitorial, etc.)		(26)
27a*	20*	26*	19*	Exterior Maintenance (lawn care, snow removal etc.)		(27)
27a*	20*	26*	19*	Pharmacy Licenses / Permits		(28)
27a*	20*	26*	19*	Employee Training and Certification		(29)
27a*	20*	26*	19*	Continuing Education		(30)
Total Page 6 overhead expenses (lines 1 to 30)						(31)



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# SPECIALTY COD SURVEY

## Draft Survey Tool

MARYLAND MEDICAID PHARMACY PROGRAM - FFS  
MANDATORY SPECIALTY<sup>A</sup> COST OF DISPENSING SURVEY

- Page 7: Overhead Expenses (continued)

- Non-labor expenses not included elsewhere to be included on this page.
- Provide a description of the expense and the dollar amount.
- For corporate allocations include a description of items included in the allocation and method for allocation.
- Expenses should be reported for the same fiscal year noted on page 1.

SECTION IIB -- OVERHEAD EXPENSES, CONTINUED  
(Round all amounts to nearest dollar or whole number.)

Page 7

Other non-labor expenses not included on lines (1) through (30)

Examples: Franchise fees, other taxes not reported in Section IIB (a) (page 6), accreditation and/or certification fees, restocking fees, postage, administrative expenses, amortization, etc. Specify each item and the corresponding amount. Note that labor expenses are reported in Section IIA (page 5). For corporate overhead expenses allocated to the individual store, please attach documentation to establish the expenses included in the allocation and describe the allocation basis.

Expense Description	Expense Amount Reported	Myers and Stauffer Use Only	Line No.
			(32a)
			(32b)
			(32c)
			(32d)
			(32e)
			(32f)
			(32g)
			(32h)
			(32i)
			(32j)
			(32k)
			(32l)
			(32m)
			(32n)
			(32o)
			(32p)
			(32q)
			(32r)
			(32s)
			(32t)
Total page 7 overhead expenses (lines 32a to 32t)			(33)



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# SPECIALTY COD SURVEY

## Draft Survey Tool

- Page 8: Reconciliation page
  - Reconcile cost of dispensing survey to source documentation
  - Source documentation should be for the fiscal year noted on page 1 of the survey.

MARYLAND MEDICAID PHARMACY PROGRAM - FFS  
MANDATORY SPECIALTY<sup>A</sup> COST OF DISPENSING SURVEY

SECTION III -- RECONCILIATION WITH FINANCIAL STATEMENT OR TAX RETURN

Page 8

The purpose of this reconciliation is to ensure that all expenses have been included and that none have been duplicated. Complete these forms using the same fiscal year which was used to report overhead and labor expenses.

	Cost Survey Amounts	Financial Statement or Tax Return Amounts
(1) Total Expenses per Financial Statement or Tax Return <sup>1</sup>		
(2) Total Labor Expenses (total from page 5, line 16)		
(3) Overhead Expenses (total from page 6, line 31)		
(4) Overhead Expenses, Continued (total from page 7, line 33)		
(5) Total Expenses per Cost Survey [add Lines (2), (3), and (4)]		
Specify Items with Amounts that are on Cost Survey but not on Financial Statement or Tax Return		
(6a)		
(6b)		
(6c)		
(6d)		
(6e)		
Specify Items with Amounts that are on Financial Statement or Tax Return but not on this Cost Survey		
(7a)		
(7b)		
(7c)		
(7d)		
(7e)		
(8) Total [add Lines (1) to (7e)] Column Totals Must be Equal		

If you used a tax form to complete the cost of dispensing survey, the total expenses per tax return will be found on the following lines for 2016 tax forms:

1040C - Line 28  
1065 - line 21  
1120 - line 27  
1120S - line 20

<sup>A</sup>There is no singular definition of "specialty" in the pharmacy industry or for governmental agencies. For the purpose of this cost of dispensing survey and process, "specialty" refers to drugs that do not have a NADAC, meet the definition of a covered outpatient drug as defined in 42 CFR 447.502, and are not dispensed by a retail community pharmacy but are dispensed primarily through the mail.

# SPECIALTY COD SURVEY

## Survey Process

- Finalize survey tool in collaboration with MMPP and stakeholders
- Distribute survey to selected pharmacy providers
  - Four weeks allotted for survey response
  - Providers will be requested to submit supporting documentation (i.e. financial statements, prescription dispensing logs, store blueprints or diagrams).
  - Myers and Stauffer can complete the overhead expenses section and reconciliation.
  - Survey help desk will be available via toll free number or email
- Reminder letters sent to all non-respondent pharmacies
- Desk review of all submitted surveys
- Data entry and analysis
- Report of findings to MMPP



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# SPECIALTY SAAC SURVEY

## Overview

- In correlation with the specialty COD survey, Myers and Stauffer will be conducting a separate specialty SAAC survey to determine the actual acquisition cost for specialty drugs/products.
- MMPP providers dispensing a high volume of specialty drugs/products will be selected to participate.
- The MD specialty SAAC survey is independent of the June SAAC survey you may have received. If your pharmacy is selected for both surveys, a submission for each survey is required.

# SPECIALTY SAAC SURVEY

## TIMELINE

- Provider survey letters will be mailed August 1, 2017.
- **Two** months of invoices: May 1, 2017 – June 30, 2017 will be requested.
- All brand and generic drug/product purchases from **all** wholesale suppliers and drug manufacturers will be requested.
- Providers will be required to submit by August 15, 2017.

# SPECIALTY SAAC SURVEY

## SUBMISSIONS

- Invoices can be submitted in printed or electronic format and should include:
  - National Drug Code (NDC)
  - Purchase price of drug/product (drug/product ingredient cost only)
  - Quantity purchased
  - Purchase date for each product
  - “Item number” to NDC crosswalk, if item numbers or other proprietary nomenclature is used on invoices

# SPECIALTY SAAC SURVEY

## SUBMISSIONS

- Wholesale suppliers may submit purchasing history directly to Myers and Stauffer on behalf of the pharmacy.
- Submissions are to be sent directly to Myers and Stauffer.

**Myers and Stauffer LC**  
**Attention: MD Pharmacy Survey**  
**9265 Counselors Row, Suite 100**  
**Indianapolis, IN 46240-6419**

**-OR-**

**[pharmacy@mslc.com](mailto:pharmacy@mslc.com)**

*Please indicate “Maryland Pharmacy Survey” in the subject line*



# QUESTIONS/COMMENTS ON DRAFT COD SURVEY

Questions or comments on the draft cost of dispensing survey tool should be submitted to Myers and Stauffer by June 30, 2017 to the phone number or email address below. Help desks will be operated to support both surveys during normal business hours and can be reached at the phone numbers and emails addresses listed below.

## Cost of Dispensing Survey

**800-374-6858**

**-OR-**

**[disp\\_survey@mslc.com](mailto:disp_survey@mslc.com)**

## MD SAAC Survey Help Desk

**800-591-1183**

**-OR-**

**[mdpharmacy@mslc.com](mailto:mdpharmacy@mslc.com)**



# NEXT STEPS

- **June 30, 2017**
  - Stakeholders submit questions or comments to Myers and Stauffer
- **Summer 2017**
  - Finalize Specialty Cost of Dispensing Survey Tool
  - Conduct Specialty Cost of Dispensing Survey
  - Conduct Specialty SAAC Survey
- **Future Activities**
  - Ongoing SAAC surveys and specialty SAAC surveys to support drugs/products without a NADAC.
  - COD survey for retail community pharmacies.





**MYERS AND  
STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

